



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

July 1, 2004

Mert Hamilton  
Rocanville Stone  
P.O. Box 35  
Delta, Utah 84624

Subject: Approval of Updated Transitional Reclamation Contract, Rocanville Stone, Tejon Quarries, M/027/087, Millard County, Utah

Dear Mr. Hamilton:

Thank you for providing a "clean" copy of the Transitional Reclamation Contract for your Tejon Quarries site, received June 28, 2004. This Transitional Contract was signed by our Associate Director on July 1, 2004. A copy of the signed and executed contract is enclosed for your records. Also copies of the two CD's totaling \$31,700 which are posted as transitional surety are also included. Thank you for your help in furnishing the clean copy of this contract.

We have not received your response to our May 24, 2004 initial review of your large mining plan for this site. The response was due by June 21, 2004. Please send your response by July 30, 2004 (per Mr. Munson granting you a verbal extension).

For your information, effective July 5, 2004, I will be transferring to the Coal Regulatory Program on a cross-training assignment. The new Minerals Supervisor will be Daron Haddock. After this date, please contact Daron at (801) 538-5325 with any concerns you may have regarding your sites.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

DWH:TM:jb

Enclosure - transitional RC & CD's

cc: Sheri Wysong, BLM, Fillmore FO w/encl

Opie Abeyta, BLM, Utah State Office w/encl

O:\M027-Millard\M0270087-tejon\final\apvl-trans-contract-07012004.doc

FORM MR-TRC  
RECLAMATION CONTRACT  
(SMO - LMO transition)  
(Revised April 17, 2001)

DOGM File Number

M/021/081

Effective Date

July 1, 2004

Other Agency File Number

UTU-078819

UTU-079464-01

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

TRANSITIONAL RECLAMATION CONTRACT

---ooOoo---

RECEIVED

JUN 28 2004

DIV. OF OIL, GAS & MINING

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)  
(Mineral Mined)

M/021/081

BUILDING STONE

"MINE LOCATION":  
(Name of Mine)  
(Description)

TEJON QUARRIES

APPROXIMATELY 45 MILES  
WEST OF DELTA, UTAH OFF  
HIGHWAY 6

"DISTURBED AREA":  
(Disturbed Acres)  
(Legal Description)  
(Topographic Map)

9.91 ACRES

(refer to "Attachment A")  
("Attachment C", disturbed area boundary)

"OPERATOR":  
(Company or Name)  
(Address)

ROCKVILLE STONE

P.O. BOX 35  
DELTA, UTAH 84624

(Phone)

435 864 5242 FAX 435 864 9023

"OPERATOR'S REGISTERED AGENT":  
(Name)  
(Address)

MERT W. HAMILTON

461 E. TOPAZ  
DELTA, UTAH 84264

(Phone)

435 864 5242 FAX 435 864 9023

OPERATOR'S OFFICER(S)":

William Hodson Pres/Treas

"SURETY":

(Form of Surety - Attachment B)

\$ 23,595.00      \$ 8,105.00  
CE

"SURETY COMPANY" (Name)

(Policy or Acct. No.)

WELLS FARGO BANK

"SURETY AMOUNT":

\$ 31,700.00

"STATE":

"DIVISION":

"BOARD":

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between KEANWILE STONE the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division"). A Reclamation Contract is required under Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules.

WHEREAS, Operator has exceeded the approved five (5) acre threshold for a small mining operation, R647-3-113, and Operator desires to continue mining operations for an "interim" period of not more than 12 months, upon areas already disturbed totaling \_\_\_\_\_ acres. Within 90 days of the filing of this contract and reclamation surety, the operator agrees to file a complete Notice of Intention to Commence Large Mining Operations (Form MR-LMO) describing a detailed mining and reclamation plan for continued operations at this site. An approved Large Mining Notice of Intention must be in place at the end of a 12 month time period following Division receipt of this contract. Any extension of this filing time period will be in writing and at the sole discretion of the Division.

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division.

The approved form and amount of surety is attached hereto as Attachment B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Division in writing. If the form of surety expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the surety, the Operator shall provide a replacement surety in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement surety, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.

3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules including but not limited to, the previously accepted Small Mining Notice, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies 1) that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, and the previously accepted Small Mining Notice, as amended , or 2) until a mining and reclamation plan for a large mining operation has been approved by the Division and the final Reclamation Contract and surety are in place.
6. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
7. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State of Utah, and is in addition to any other rights and authorities the Division and Board have to seek relief from the Operator.
9. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.

10. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an Order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an Order to revoke the Small Mining Notice of Intention, order reclamation, or order forfeiture of the surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract including the Small Mining Notice of Intention, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

ROCANVILLE GONE  
Operator Name

By W.H. HUDSON  
Authorized Officer (Typed or Printed)

PRESIDENT  
Authorized Officer - Position

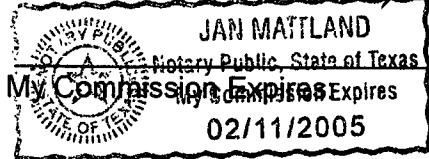
W. Hudson - President  
Officer's Signature

24 June 04  
Date

STATE OF Texas  
COUNTY OF Dallas ) ss:

On the 24<sup>th</sup> day of June, 20 04, W. H. Hudson  
personally appeared before me, who being by me duly sworn did say that he/she is the President  
of Rocanville Corporation and duly  
acknowledged that said instrument was signed on behalf of said company by authority of its  
bylaws or a resolution of its board of directors and said W. H. Hudson  
duly acknowledged to me that said company executed the same.

Jan Mattland  
Notary Public  
Residing at Red Oak, TX

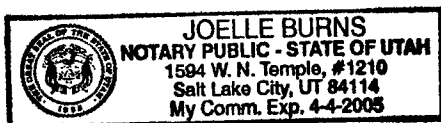


DIVISION OF OIL, GAS AND MINING:

By *Lowell P. Braxton* Assoc. Dir. 7/1/04  
for Lowell P. Braxton, Director Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 1<sup>st</sup> day of July, 2004, *Mary Ann Wright* *Associate Director*  
personally appeared before me, who being duly sworn did say that she, the said  
*Mary Ann Wright* is the Director of the Division of Oil,  
Gas and Mining, Department of Natural Resources, State of Utah, and she duly acknowledged to  
me that she executed the foregoing document by authority of law on behalf of the State of Utah.



*Joelle Burns*  
Notary Public  
Residing at: *SLC UT*

*April 4, 2005*  
My Commission Expires:

ATTACHMENT "A"

ROCANVILLE STONE  
Operator  
11/027/087  
Permit Number

TEION QUARRIES  
Mine Name  
MILLARD County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands disturbed is:

PORTIONS OF:

NW 1/4 SW 1/4 SECTION 30  
S 1/2 NE 1/4 SECTION 30  
S 1/2 NW 1/4 SECTION 29  
TOWNSHIP 18 SOUTH, RANGE 13 WEST



E270069

X 6937

Levin #2 X 6728  
4.67 acres

Teljon #2  
99 acres

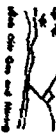
Teljon #1  
1.32 acres

Canyon

2.93 acres  
Red Gulch

S270087

- Mines
- Minearea
- Disturbed
- Excluded
- Reclaimed



Dept. of Natural Resources  
Division of Oil, Gas & Mining  
Mineral Leasing Program

Quad Sheet: Miller Cove Quadrangle Q2508

NW 51 NE 51 SE 51  
512 512 512  
500 0 500 Feet

Scale 1:3000  
Contour Interval 40 feet



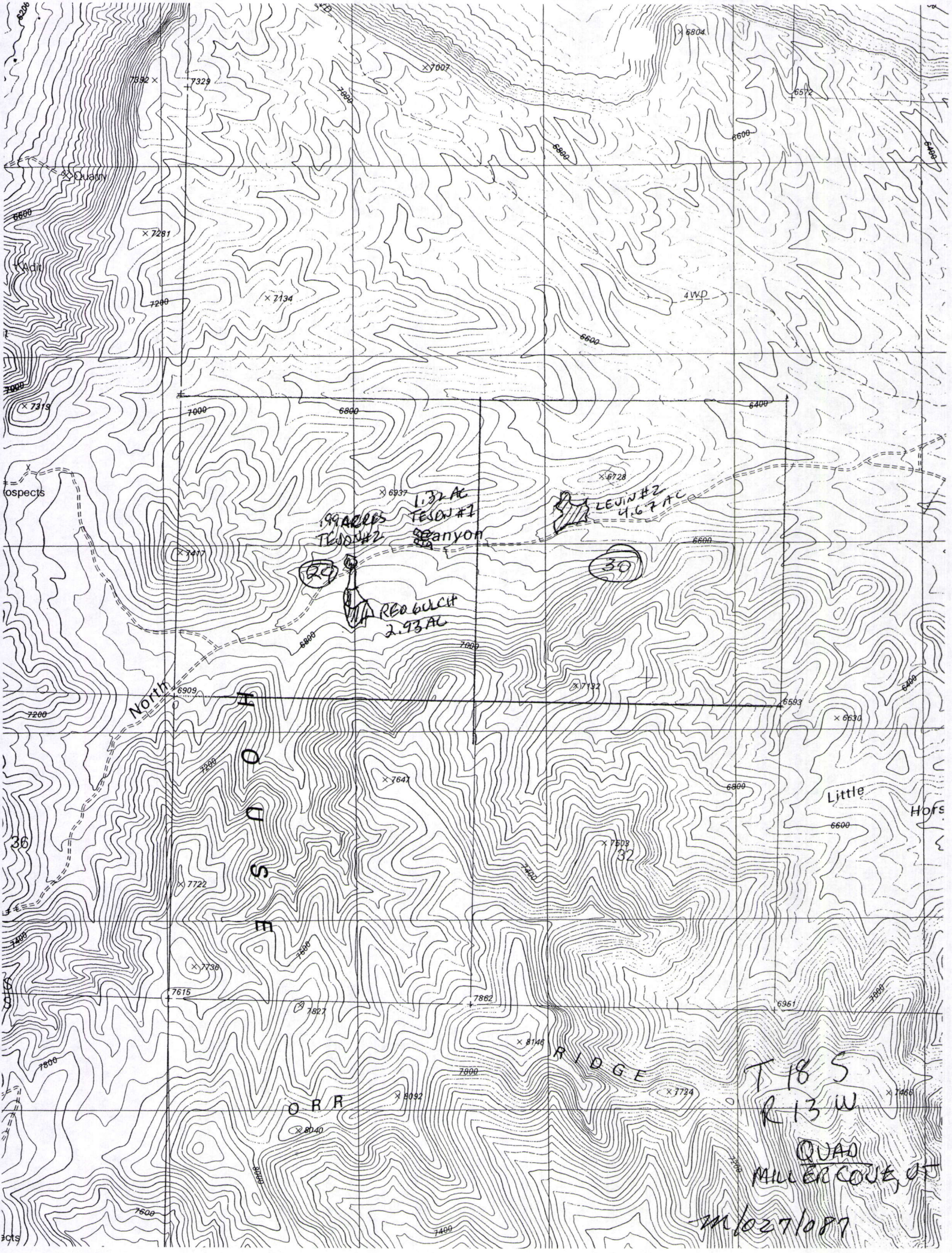
Drafted by TM

Southwest Area

Operator:

Mine Number: S027/087 & E027/069  
Mine Name: Levin Store #2  
Township 18 S Range 13 West Section 29 & 30





North

S  
E

RIDGE

Little Horse

T 18 S  
R 13 W

QUAD  
MILLER COVE, CT

m/027/087

1.32 AC  
TESSON #1  
2.94 AC  
TESSON #2  
2.93 AC  
REOBULCH

1.67 AC  
LEVIN #2

30





# Time Account Receipt/Disclosure

Bank name

Wells Fargo Bank , N.A.

Time Account number

Date opened

06/01/2004

Term of Time Account

06 months days

Maturity date

Interest rate

Fixed rate

Variable rate

Annual percentage yield

Your Time Account will mature on

12/01/2004

0.85

X

0.85

Interest will be paid

EVERY 03 MONTHS AND AT WITHDRAWAL

The method of interest payment will be

BY ADDING TO PRINCIPAL

Renewability

Taxpayer Identification Number (TIN)

YOU WILL AUTOMATICALLY RENEW MY TIME ACCOUNT  
AT MATURITY UNLESS I NOTIFY YOU OTHERWISE.

The Bank is opening the above described Time Account for your deposit of

EIGHT THOUSAND ONE HUNDRED FIVE AND 0/100

\$ 8,105.00

Your name and address

FOR THE BENEFIT OF THE STATE OF UTAH DIVISION OF OIL GAS & MINING & USDOJ  
BLM-- OWNER ROCANVILLE CORP.-- COMPANY  
8235 DOUGLAS AVE STE 1201  
DALLAS TX 75225-6012

RECEIVED

JUN 04 2004

DIV OF OIL GAS & MINING

06/01/2004 15:37

U5182 02859 Bank# 00119

This is a receipt. It need not be presented at the time you obtain payment from the Bank.

W60168

CER 60167 (6-01-43234)



# Time Account Receipt/Disclosure

Bank name

Wells Fargo Bank , N.A.

Time Account number

Date opened

04/30/2004

Term of Time Account

24 months days

Maturity date

Interest rate

Fixed rate

Variable rate

Annual percentage yield

Your Time Account will mature on

04/30/2006

1.64

X

1.65

Interest will be paid

EVERY 03 MONTHS AND AT WITHDRAWAL

The method of interest payment will be

BY ADDING TO PRINCIPAL

Renewability

Taxpayer Identification Number (TIN)

YOU WILL AUTOMATICALLY RENEW MY TIME ACCOUNT  
AT MATURITY UNLESS I NOTIFY YOU OTHERWISE.

The Bank is opening the above described Time Account for your deposit of

TWENTY THREE THOUSAND FIVE HUNDRED NINETY FIVE AND 0/100

\$ 23,595.00

Your name and address

FOR THE BENEFIT OF THE STATE OF UTAH DIVISION OF OIL GAS & MINING & USDOJ  
BLM-OWNER ROCANVILLE CORP.-COMPANY  
TEJON QUARRIES MINE, M/027/087  
8235 DOUGLAS AVE STE 1201  
DALLAS TX 75225-6012

RECEIVED

MAY 17 2004

04/30/2004 11:35

U5182 02859 Bank# 00119

This is a receipt. It need not be presented at the time you obtain payment from the Bank.

W60168

DIV. OF OIL, GAS & MINING

CER 60167 (6-01-43234)